



Promote Iowan's Behavioral and Disabilities Health Status

Cherokee Mental Health Institute

Clarinda Mental Health Institute

Independence Mental Health Institute

Mount Pleasant Mental Health Institute

Glenwood Resource Center

Woodward Resource Center

Conner Training

Civil Commitment Unit Training for Sexual Offenders

MHDS Regional Services Fund

MHDS Regional Services Fund



Purpose

The Mental Health and Disability (MHDS) Regional Services Fund was newly created in Iowa Code section 225C.7A. In addition to the amount levied by counties, the fund will provide money for non-Medicaid core mental health and disability services and the increased cost of providing those services.

Who Is Helped

This is a new fund that will receive an appropriation beginning in SFY14.

This fund is designed to support current and new core services to adults 18 years and older:

- With a mental illness or an intellectual disability.
- Who are not eligible for Medicaid or need services that are not reimbursed by Medicaid.
- Who have an income at or below 150 percent of the federal poverty level.

No data exists at this time to specifically identify the people who will be served. However it is very likely the people served will be similar to individuals currently served through the current State Payment Program (SPP).

A typical individual is in his 40s, lives in a private residence, has a mental illness, has a high school diploma or GED, and is unemployed.

In SFY14 this fund will be provided to counties, in addition to the amount the counties levy in property taxes, and used for:

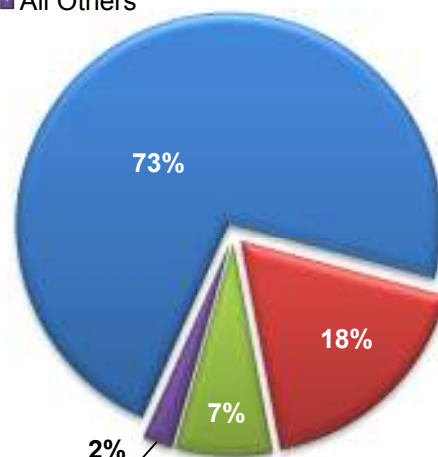
- Final SPP claims from SFY13.
- Non-Medicaid services in the counties' management plans.
- The increased cost of providing non-Medicaid funded services, i.e. growth.

In SFY15 this fund will be provided to the regions and used for:

- Required core MHDS services.
- The increased cost of providing services.
- Funding for new additional core services.

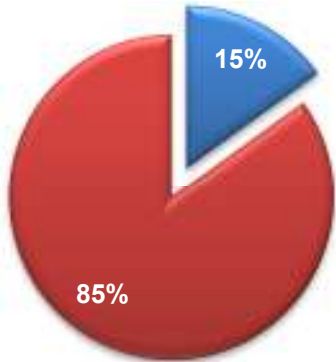
Projected Percentage of Individuals to be Served by Diagnosis in SFY14

- Mental Illness
- Chronic Mental Illness
- Intellectual Disabilities
- All Others



- ✓ *On July 1, 2013, residency replaces durational legal settlement as the method for determining financial responsibility for non-Medicaid funded services. At that point nearly all persons currently on the SPP will have a county of responsibility determined for funding their services.*

Services	<p>SFY14</p> <p>Funding will provide state financial assistance to counties for services in the counties' management plans including:</p> <ul style="list-style-type: none">• Residential support.• Vocational programs.• Mental health treatment.• Institution and commitment services. <p>SFY15</p> <p>Funding will provide state financial assistance to regions for:</p> <ul style="list-style-type: none">• Required core services.• New additional core services, the regions will be required to provide when funds are made available:<ul style="list-style-type: none">○ Comprehensive crisis services.○ Pre-commitment screening.	<p>Funding for Non-Medicaid Services</p> <p>Legend:</p> <ul style="list-style-type: none">■ New Core Services■ Growth■ Regional Services Fund■ State Payment Program■ County Non-Medicaid Funds <table border="1"><thead><tr><th>SFY</th><th>County Non-Medicaid Funds</th><th>State Payment Program</th><th>Regional Services Fund</th><th>Growth</th><th>New Core Services</th><th>Total</th></tr></thead><tbody><tr><td>SFY10</td><td>125</td><td>10</td><td>0</td><td>0</td><td>0</td><td>135</td></tr><tr><td>SFY11</td><td>140</td><td>10</td><td>0</td><td>0</td><td>0</td><td>150</td></tr><tr><td>SFY12</td><td>130</td><td>10</td><td>0</td><td>0</td><td>0</td><td>140</td></tr><tr><td>SFY13 est</td><td>125</td><td>10</td><td>0</td><td>0</td><td>0</td><td>135</td></tr><tr><td>SFY14 est</td><td>125</td><td>10</td><td>5</td><td>0</td><td>0</td><td>140</td></tr><tr><td>SFY15 est</td><td>125</td><td>10</td><td>5</td><td>0</td><td>10</td><td>150</td></tr></tbody></table>	SFY	County Non-Medicaid Funds	State Payment Program	Regional Services Fund	Growth	New Core Services	Total	SFY10	125	10	0	0	0	135	SFY11	140	10	0	0	0	150	SFY12	130	10	0	0	0	140	SFY13 est	125	10	0	0	0	135	SFY14 est	125	10	5	0	0	140	SFY15 est	125	10	5	0	10	150
	SFY	County Non-Medicaid Funds	State Payment Program	Regional Services Fund	Growth	New Core Services	Total																																												
SFY10	125	10	0	0	0	135																																													
SFY11	140	10	0	0	0	150																																													
SFY12	130	10	0	0	0	140																																													
SFY13 est	125	10	0	0	0	135																																													
SFY14 est	125	10	5	0	0	140																																													
SFY15 est	125	10	5	0	10	150																																													
<ul style="list-style-type: none">✓ <i>MHDS redesign legislation requires core services including treatment, basic crisis services, support for community living, support for employment, recovery services, and service coordination.</i>✓ <i>DHS estimated the cost of county administration at approximately \$22 million in SFY11.</i>✓ <i>Counties have not received growth in non-Medicaid funding in the last two years.</i>																																																			
Goals & Strategies	<p>Goal: promote behavioral health status.</p> <p>Strategies:</p> <ul style="list-style-type: none">• Provide access to mental health services.• Promote development of array of critical mental health services. <p>Goal: promote choice for seniors and persons with disabilities.</p> <p>Strategy:</p> <ul style="list-style-type: none">• Promote access to community based options for persons with disabilities. <p>Goal: Program accountability:</p> <p>Strategy:</p> <ul style="list-style-type: none">• Mental health and disability regional services funding will be awarded through performance-based contracts that will require regions to address outcomes and performance measures.	<p>Performance Results:</p> <p>Outcome and performance measures will be reported in SFY14.</p> <p>MHDS redesign legislation requires that outcome and performance measures be established and publicly reported.</p>																																																	

	<ul style="list-style-type: none">Measures include but are not limited to:<ul style="list-style-type: none">Access standards for the required core services.Penetration rates for serving the number of persons expected to be served.Utilization rates for inpatient and residential treatment.Readmission rates for inpatient and residential treatment.Employment of the persons receiving services.							
	<ul style="list-style-type: none"><i>The Outcomes Workgroup will recommend additional outcome and performance measures that will serve as the basis for assessing the effectiveness and efficiency of the MHDS service system beginning SFY14.</i><i>Beginning in SFY15 the regions will prepare regional service plans identifying the numbers of persons to be served, services to be offered and results to be accomplished. At this time the department will enter performance based contracts with the regions.</i>							
Cost of Services	<ul style="list-style-type: none"><i>The MHDS regional services fund will augment the \$125 million raised by the counties' MHDS levy. The total amount will equal \$139.5 million in SFY14 and \$162.3 million in SFY15.</i>							
Funding Sources	<p>The budget request for the MHDS Regional Services Fund for SFY14 reflects a state general fund appropriation and Social Services Block Grant (SSBG) funding. This funding will support non-Medicaid MHDS county management plan services growth in the cost of these services and, in SFY15, new core services.</p> <p>The total budget for SFY14 total budget is \$13,383,073:</p> <ul style="list-style-type: none">\$11,423,073 (85.4 percent) is SSBG to support county services.\$1,960,000 (14.6 percent) is state general fund for growth in county services.\$1,122,842 of SSBG funding will be retained by the department to settle final SFY13 SPP claims. <p>The total budget for SFY15 total budget is \$37,270,915:</p> <ul style="list-style-type: none">\$12,545,915 (33.7 percent) is to support county services.\$3,950,000 (10.6 percent) is state general fund for growth in county services.\$20,775,000 (55.7 percent) is state general fund for new additional core services.	<p>SFY14 Funding</p> <p>■ State General Fund ■ Federal</p>  <table><caption>SFY14 Funding Breakdown</caption><thead><tr><th>Funding Source</th><th>Percentage</th></tr></thead><tbody><tr><td>State General Fund</td><td>85%</td></tr><tr><td>Federal</td><td>15%</td></tr></tbody></table>	Funding Source	Percentage	State General Fund	85%	Federal	15%
Funding Source	Percentage							
State General Fund	85%							
Federal	15%							
	<ul style="list-style-type: none"><i>The amount of county levy funds is capped by Iowa Code at \$125 million annually.</i><i>The use of Social Services Block Grant (SSBG) is governed by federal rules and the state plan.</i><i>SSBG funds are part of the sequestered funds that will be cut if Congress does not agree on a comprehensive budget approach.</i>							

SFY 2014 & 2015 Budget Drivers

The total SFY14 budget request reflects a \$1,960,000 general fund appropriation. This is a new fund so there was no direct appropriation in SFY13. The FY 15 budget request is a \$22,765,000 general fund increase over SFY14.

The key budget drivers for the increases are:

- Growth of non-Medicaid MHDS county management plan services and, in SFY15, new core services

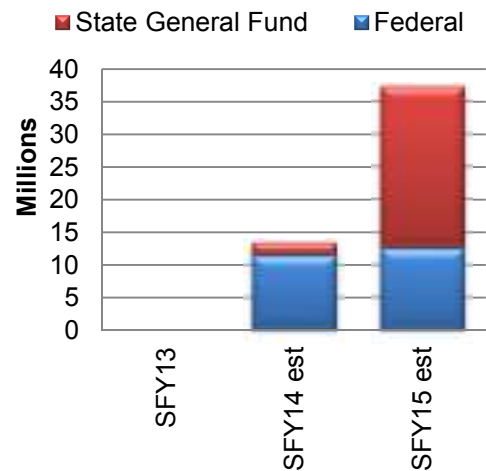
When including SSBG funding that will support county services, SFY14 is a \$1,960,000 (16 percent) increase in state support for county funded services.

- The general fund recommendation for growth was based on the current (June 2012) consumer price index (CPI) for all items. The recommended amount was determined by applying the CPI to the total amount of non-Medicaid funding in SFY13, excluding estimated administrative costs.
- The bottom line reflects an overall increase of 1.4 percent when county funds are included in the calculation.

SFY15 reflects support for county services growth, as well as the implementation of new core services. From SFY14 to SFY15, there is a \$22,765,000 (157 percent) increase in state support for county funded services.

- Growth in county funded services was calculated using the same methodology as described above for SFY14.
- Cost of added core MHDS services was based on the cost estimates included in the DHS MHDS redesign final report.
- The overall increase in funding is 18 percent when county funds are included in the calculation.

Total Budget Funding Mix



- ✓ *In SFY13 the counties were relieved of the responsibility of providing the non-federal share of Medicaid. In recent years the growth in the non-federal share of Medicaid paid by the counties exceeded growth in state funding to the counties.*

Legal Basis

State:

- Iowa Code, Chapter 225C.7A

**Request - New MHDS Core Services/Growth Fund
State Fiscal Year 2014**

Request Total: \$ 13,383,073

General Fund Need: \$ 1,960,000

Request Description:

Redesign legislation created a new Regional Services Fund (Code 331.440B). Funding will be appropriated to regions to cover increased service costs, additional service populations, additional core service domains, and increased numbers of persons receiving services. The inflationary increases in service costs are requested as Current Service Level and the additional core service domains of Crisis Services and Pre-Commitment Screenings are requested as Improved Results. No additional service populations are added in this budget request.

SFY 2013 Enacted Budget (Status Quo Funding)

	\$ -
	\$ -
	\$ -
Total State \$ Appropriated:	<u>\$ -</u>

Funding Needed to Maintain Current Service Level

Decision Package	Decision Package Description	Amount
1	Non-Medicaid cost Increases - FY2014	\$ 1,960,000
Total Requested for Current Service Level Funding:		<u>\$ 1,960,000</u>

Funding for Improved Results

Decision Package	Decision Package Description	Amount
		\$ -
Total Requested for Improved Results Funding:		<u>\$ -</u>

General Fund Total	\$1,960,000
General Fund Change From Prior Year	\$1,960,000

**Request - New MHDS Core Services/Growth Fund
State Fiscal Year 2014**

Total Funding Summary:

State Funding Total		\$1,960,000
----------------------------	--	--------------------

Program	
General Fund	\$ 1,960,000
SLTF	\$ -
Tobacco	\$ -
Iowa Care	\$ -
HCTA	\$ -
Other	\$ -
Total	\$ 1,960,000

Federal Funding Total		\$11,423,073
------------------------------	--	---------------------

Program	
TANF	\$ -
SSBG	\$ 11,423,073
ARRA	\$ -
IowaCare	\$ -
HCTA	\$ -
Other	\$ -
Total	\$ 11,423,073

Other Funding Total	
----------------------------	--

Program	
Other	\$ -

Totals	Program
	\$ 13,383,073

Request Total
\$13,383,073

FTEs included in request:

FTEs	-
-------------	----------

**Request - New MHDS Core Services/Growth Fund
State Fiscal Year 2015**

Request Total: \$ 37,270,915

General Fund Need: \$ 24,725,000

Request Description:

Redesign legislation created a new Regional Services Fund (Code 331.440B). Funding will be appropriated to regions to cover increased service costs, additional service populations, additional core service domains, and increased numbers of persons receiving services. The inflationary increases in service costs are requested as Current Service Level and the additional core service domains of Crisis Services and Pre-Commitment Screenings are requested as Improved Results. No additional service populations are added in this budget request.

SFY 2013 Department Request (Status Quo Funding)

	\$	-
	\$	-
	\$	-
Total State \$ Appropriated:	\$	-

Funding Needed to Maintain Current Service Level

Decision Package	Decision Package Description	Amount
1	Non-Medicaid cost Increases - FY2014	\$ 1,960,000
2	Non-Medicaid cost Increases - FY2015	\$ 1,990,000
Total Requested for Current Service Level Funding:		\$ 3,950,000

Funding for Improved Results

Decision Package	Decision Package Description	Amount
3	Improved Result - New Non-Medicaid Core Services - Crisis Services and Pre-Commitment Screenings	\$ 20,775,000
Total Requested for Improved Results Funding:		\$ 20,775,000

General Fund Total	\$24,725,000
---------------------------	---------------------

General Fund Change From Prior Year	\$24,725,000
--	---------------------

**Request - New MHDS Core Services/Growth Fund
State Fiscal Year 2015**

Total Funding Summary:

State Funding Total		\$24,725,000
----------------------------	--	---------------------

Program	
General Fund	\$ 24,725,000
SLTF	\$ -
Tobacco	\$ -
Iowa Care	\$ -
HCTA	\$ -
Other	\$ -
Total	\$ 24,725,000

Federal Funding Total		\$12,545,915
------------------------------	--	---------------------

Program	
TANF	\$ -
SSBG	\$ 12,545,915
ARRA	\$ -
IowaCare	\$ -
HCTA	\$ -
Other	\$ -
Total	\$ 12,545,915

Other Funding Total		
----------------------------	--	--

Program	
Other	\$ -

Totals	Program
	\$ 37,270,915

Request Total
<u>\$37,270,915</u>

FTEs included in request:

FTEs	-
-------------	----------

**Iowa Department of Humans Services
MHDS Redesign Roadmap**

2012 08 28

Appropriation	SFY13 Appropriation	SFY14 Proposed	SFY15 Proposed
---------------	------------------------	----------------	----------------

Presented by pre-Redesign Appropriation/Funding Source

1)	Energy Replacement Tax	MHDS Redesign Fund \$1,167,465	Medical Assistance	Medical Assistance
	Property Tax Relief	MHDS Redesign Fund \$81,199,911	Medical Assistance	Medical Assistance
	Added Property Tax Relief 1)	MHDS Redesign Fund \$7,200,089	Medical Assistance	Medical Assistance
	Allowed Growth	MHDS Redesign Fund \$74,697,893	Medical Assistance	Medical Assistance
	Community Services	MHDS Redesign Fund \$14,211,100	Medical Assistance	Medical Assistance
	Risk Pool	<i>Balance carried forward from SFY12 to SFY13 designated for Medical Assistance; Counties to retain unspent balances</i> \$0		
	State Payment Program (SPP)	MHDS Redesign Fund \$11,150,820	Medical Assistance	Medical Assistance
	Subtotal MHDS Redesign Fund	\$189,627,278		
	SSBG/Local Purchase	State Payment Program \$12,545,915	State Payment Program \$1,122,842	n/a \$0
	SSBG/Local Purchase	n/a \$0	MHDS Reginal Services Fund \$11,423,073	MHDS Regional Services Fund \$12,545,915

1) Supplemental for SFY12; credited to MHDS Redesign Fund for SFY13

**Iowa Department of Humans Services
MHDS Redesign Roadmap**

2012 08 28

Appropriation	SFY13 Appropriation	SFY14 Proposed	SFY15 Proposed
---------------	------------------------	----------------	----------------

Presented by Redesign Category of Service

	Non-federal share of medical assistance program services previously billed to the counties	MHDS Redesign Fund \$189,627,278	Medical Assistance \$189,627,278	Medical Assistance \$189,627,278
	Add'l funding - Non-federal share of medical assistance program services previously billed to counties	MHDS Redesign Fund \$36,100,000	Medical Assistance \$36,100,000	Medical Assistance \$36,100,000
	Children's mental health home project	MHDS Redesign Fund \$500,000	Medical Assistance \$900,000	Medical Assistance \$2,300,000
	Standardized Assessment Tools	MHDS Redesign Fund \$3,000,000	Medical Assistance \$3,000,000	Medical Assistance \$3,000,000
	FTEs for MHDS Redesign	MHDS Redesign Fund \$400,000	Medical Assistance \$400,000	Medical Assistance \$400,000
	Technical Assistance Services for Regions	CHIP Contingency \$500,000	n/a \$0	n/a \$0
2)	Add'l funding - Non-federal share of medical assistance program services previously billed to counties	Medical Assistance \$11,427,692	Medical Assistance \$35,859,892	Medical Assistance \$51,257,695
	Core services - Medicaid	n/a \$0	n/a \$0	Medical Assistance \$7,092,328
	State Payment Program	SSBG \$12,545,915	SSBG \$1,122,842	n/a \$0
	Growth in county delivered services	n/a \$0	SSBG \$11,423,073	SSBG \$12,545,915
	Growth in county delivered services	n/a \$0	MHDS Regional Services Fund \$1,960,000	MHDS Regional Services Fund \$3,950,000
	Core services - non-Medicaid	n/a \$0	n/a \$0	MHDS Regional Services Fund \$20,775,000

- 2) Includes unfunded need in SFY13; additional growth in SFY13, SFY14 and SFY15; and impact of decreasing FMAP in SFY14 and SFY15